IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE

)
Pharma Base S.A.,	Civil Action No. 06
Plaintiff,)
v.) JURY TRIAL DEMANDED
HVL Inc. (a.k.a. H.V.L. Inc. and)
Douglas Laboratories) and)
Hi-Vidomin Laboratories, Inc.,)
)
Defendants)
)

COMPLAINT

Plantiff, Pharma Base S.A. ("Pharma Base"), for its Complaint against Defendants HVL Inc. ("HVL") and Hi-Vidomin Laboratories, Inc. ("Hi-Vidomin"), alleges the following:

THE PARTIES

- 1. Pharma Base is a corporation organized and existing under the laws of Switzerland, and has a principle place of business at Churerstrasse 166, CH-8808 Pfaffikon, Switzerland.
- 2. On information and belief, HVL is a corporation organized and existing under the laws of the state of Delaware, and has a principal place of business at 600 Boyce Road, Pittsburgh, Pennsylvania 15205, United States of America.
- 3. On information and belief, Hi-Vidomin is a corporation organized and existing under the laws of the state of Delaware, has a principal place of business at 300 Delaware Avenue, Wilmington, Delaware 19801, and is a wholly-owned subsidiary of and acts as a holding company for HVL.

JURISDICTION AND VENUE

- 4. This Court has jurisdiction pursuant to 15 U.S.C. §§ 1501 et seq. ("the Lanham Act"), and 28 U.S.C. §§ 1331, 1332(a), 1338(a) and/or 1367(a).
- 5. On information and belief, Defendants HVL and Hi-Vidomin, in addition to being citizens of Delaware, have been and are doing business in this District.
- 6. On information and belief, Defendant HVL has placed goods in the stream of commerce knowing that such goods likely would enter this District, and such goods have entered this District.
- 7. On information and belief, Defendant HVL has offered to sell and sold goods in this District and continues to offer to sell and sell goods in this District.
 - 8. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b).

NATURE AND CIRCUMSTANCES OF THE PARTIES' DISPUTE

- 9. Plaintiff is a supplier of Coenzyme Q10 Fast Melting Tablets (the "Product") that are marketed and sold under the trademarks COQMELT and QMELT in a variety of countries throughout the world.
- 10. Plaintiff is, and has been during all relevant periods of time, the owner of all rights, title and interests in and to the trademarks COQMELT and QMELT in the United States and Canada.
- 11. Defendant HVL is a distributor and retailer of nutritional supplements in the United States of America and Canada.
- 12. In late 2001, representatives of Plaintiff Pharma Base and Defendant HVL met with each other in Zurich, Switzerland to discuss bringing the Product to the United States and Canadian markets.
- 13. In late 2001 and early 2002, Plaintiff and Defendant HVL negotiated the terms of their commercial relationship, ultimately entering into an Exclusive Distributorship Agreement

and an Ownership and Licensing of Trademark Agreement (the "Distribution Agreement," the "Trademark Ownership and Licensing Agreement," collectively the "Agreements").

- Under the Agreements, Defendant HVL was obliged to use certain efforts to 14. market and sell the Product in the United States and Canada under Plaintiff's COQMELT mark.
- On or about May 16, 2002, Defendants used Plaintiff's COQMELT mark for the 15. first time to market and/or sell the Product to practitioners in the United States and Canada, and on information and belief, Defendants have continued to market and sell the Product to practitioners in the United States in Canada under Plaintiff's COQMELT mark from on or about May 16, 2002 to the present.
- On or about August 2002, Plaintiff and Defendant HVL agreed that Defendant 16. HVL would continue to market and sell the Product to practitioners in the United States and Canada using Plaintiff's COQMELT mark, that Defendant HVL would market and sell the Product to retailers in the United States and Canada under Plaintiff's QMELT mark, and that all such activities would be subject to the terms and provisions of the Agreements, the only exceptions being Defendant HVL's licensed use of COQMELT when marketing and selling to practitioners, and Defendant HVL's licensed use of QMELT when marketing and selling to retailers.
- On or about December 4, 2002, Defendants used Plantiff's QMELT mark for the 17. first time to market and/or sell the Product to retailers in the United States and/or Canada, and on information and belief, Defendant's have continued to market and sell the Product to retailers in the United States and Canada under Plaintiff's QMELT mark from that date to the present.
- Due to a series of disputes that arose between Plaintiff and Defendants, on or 18. about April 25, 2006 Plaintiff terminated the Agreements with Defendant HVL and demanded that Defendant HVL immediately cease and desist from using Plaintiff's COQMELT and OMELT marks in any way (see Exhibit 1).
- Upon information and belief, Defendants did not, and have not, ceased and 19. desisted from using Plaintiff's COQMELT and QMELT marks in any way; instead, Defendants and those working in concert with Defendants have continued to use Plaintiff's COQMELT and

QMELT marks to market and sell the Product in direct violation of Plaintiff's legal and commercial rights and interests.

COUNT I (FEDERAL TRADEMARK INFRINGEMENT)

- 20. Plaintiff repeats and re-alleges each of the preceding paragraphs in this Complaint.
 - 21. Plaintiff's COQMELT and QMELT marks are distinctive for the Coenzyme Q10.
- 22. To the extent not inherently distinctive, Plaintiff's COQMELT and QMELT marks have acquired secondary meaning and significance in the minds of the consuming public for Coenzyme Q10
- 23. All public recognition and goodwill associated with Defendants use of Plaintiff's COQMELT and QMELT marks under the Agreements inured to the benefit of Plaintiff, and that goodwill and public recognition is a valuable asset of Plaintiff's business.
- 24. Plaintiff intends to preserve and maintain its rights with respect to its COQMELT and QMELT marks, and intends to continue using the marks in the United States.
- 25. As evidenced in Exhibits 2 and 3, upon information and belief, Defendants have continued to offer to sell and sell Coenzyme Q10 fast melting tablets under Plaintiff's COQMELT and QMELT marks.
- 26. On and information and belief, Defendants' continued use of the COQMELT and QMELT marks to offer to sell and sell Coenzyme Q10 fast melting tablets is intended to exploit the reputation and goodwill cultivated by Plaintiff such marks.
- 27. On information and belief, the COQMELT and QMELT marks that Defendants have continued to use since termination of the Agreements are identical to and confusingly similar with Plaintiff's COQMELT and QMELT marks (see Exhibits 2 and 3).
- 28. Defendants' deliberate activities are believed to have caused, and are likely to cause confusion, mistake, or deception, thereby causing great harm to the goodwill and public

recognition cultivated in the COQMELT and QMELT marks by Plaintiff and the diminution of the value of the COQMELT and QMELT marks.

- 29. Plaintiff has not given its consent, directly or indirectly, to Defendants to use the COQMELT and QMELT marks, or any marks similar thereto.
- 30. Defendants' activities constitute a) willful, deliberate and intentional infringement of Plaintiff's COQMELT and QMELT trademarks, in violation of the Lanham Act, to the substantial and irreparable injury of the public; and b) substantial and irreparable injury to the public recognition and goodwill cultivated by Plaintiff in its COQMELT and QMELT marks.
- 31. Upon information and belief, the willful, deliberate and intentional acts of infringement commenced, and have continued, in spite of the actual and constructive knowledge of Defendants that use of Plaintiff's COQMELT and QMELT marks after Plaintiff's April 25, 2006 cease and desist correspondence.
- 32. Plaintiff has no adequate remedy at law. Defendants' foregoing conduct has caused and will continue to cause, if not enjoined, irreparable damage to Plaintiff's rights in its COOMELT and QMELT marks and in Plaintiff's business, reputation and good will.
- 33. Plaintiff's damages from Defendants' unauthorized and unlawful activities, to the extent ascertainable, have not yet been determined.

WHEREFORE, Plaintiff requests:

- (a) That the Court find Defendants have infringed Plaintiff's COQMELT and OMELT trademarks;
- (b) That the Court find there is a substantial likelihood that Defendants will continue infringing Plaintiff's COQMELT and QMELT trademarks unless enjoined from doing so;
- (c) That the Court preliminarily enjoin Defendants, their officers, directors, agents, servants, employees, attorneys, confederates, and all persons acting for, with, by, through, or under it, from infringing Plaintiff's COQMELT and QMELT trademarks, in any manner, or participating or assisting in any such activity;

(d) That the Court permanently enjoin Defendants, their officers, directors, agents, servants, employees, attorneys, confederates, and all persons acting for, with, by, through, or

under it, from infringing Plaintiff's COQMELT and QMELT trademarks, in any manner, or

participating or assisting in any such activity;

- (e) That the Court award Plaintiff damages incurred as a result of Defendants' trademark infringement in an amount to be determined at trial, and that such damages be trebled;
- (f) That the Court award Plaintiff its attorneys' fees, costs and expenses incurred in prosecution this action;
- (g) That the Court require Defendants to recall and deliver to Plaintiff for destruction, at Defendants' expense all literature, brochures, quotes, packaging, labels, pamphlets, catalogs, and any other material bearing the COQMELT or QMELT trademarks, or any confusingly similar mark(s) thereto; and
- (h) That the Court require Defendants to file with the Court, and to serve on Plaintiff, within thirty (30) days after entry of an Order as herein prayed, a written report, under oath, setting forth in detail the manner in which Defendants have complied with such Order.

Respectfully submitted,

Date: June 20, 2006

Patricia S. Rogowski (#2632)

Connolly Bove Lodge & Hutz LLP 1007 N. Orange St., P.O. Box 2207

Wilmington, DE 19899

(302) 658-5614

AND

John P. Donohue, Jr.

David L. Marcus

Woodcock Washburn LLP

One Liberty Place - 46th Floor Philadelphia PA 19103

(215) 568-3100

Attorneys for Plaintiff Pharma Base S.A.

PHARMA BASE S.A.



April 25, 2006

Mr. Douglas Lioon CEO HVL, Inc. 600 Boyce Road Pittsburgh, PA 15205 USA

Mr. Richard Bordeleau President - Health and Nutrition Division Atrium Biotechnologies, Inc. 1405, Bld du Parc-Technologique Quebec City, Quebec G1P 4P5 Canada

Exclusive Distributor Agreement and Re:

Ownership and Licensing of Trademark Agreement

Gentlemen:

It appears that our respective companies are not going to be able to reach an agreement regarding taking those steps necessary to correct the record ownership of the trademarks COQMELT and QMELT and taking those steps related to performance necessary to renew the distributor ship agreement.

It is clear from both the agreements and surrounding correspondence that Pharma Base was to be the record owner of the trademarks COQMELT and QMELT. Indeed, HVL's own actions blocked Pharma Base's ability to register these marks in the US. It is also clear that HVL will not, absent judicial intervention, transfer ownership to Pharma Base of U.S. Registration Nos. 2,733,259 and 2,803,702. The Atrium/HVL proposal that Pharma Base should now pay for the ownership rights agreed to over four years ago is refused.

Further, it is clear that HVL will not agree to reasonable minimum sales figures as required by Articles 10 and 14 of the distributor agreement in order to effectuate renewal of that agreement. Accordingly, the distributor agreement appears to have been terminated. Indeed, the agreement may have been terminated since February 1, 2005.

Since the Exclusive Distributorship Agreement has terminated, so has the agreement under which the trademarks were licensed. If HVL has not already done so, it is to immediately cease and desist from using the trademarks COQMELT and QMELT in any way.

Sincerely,

Harish Parekh

Chairman & President





Natural Coenzyme Q10 100 mg

100 mg

Absorb Life Faster.



CoQmelt*
Natural Coenzyme Q10 100 mg

Supplement Facts Serving Size 1 Fast-Mell Tablet Serving Per Container 21

Amount Per Scrving

Natural Coenzyme G10

*Daily value not established.

Other ingredients: mannitol, sorbitol, citric acid, vegetable stearate, natural orange flavor and povidone. Suggested Usage: Adults take one tablet daily or as directed by physician. Place tablet on top of tongue and allow tablet to dissolve while gently pressing tongue against roof of mouth. Tablet will disintegrate in 1-2 minutes.**

**Not a sublingual tablet. Fest-Melt tablets are designed for their contents to be swallowed after tablet disintegrates.

This product contains NO yeast, wheat gluten, soy presein, milt/dairy, corn, sodium, sugar, starch, artificial coloring, preservatives or flavoring.

CoQmelt* is formulated using patented Fast-Melt technology. This technology is designed to allow the tablet to begin dissolving immediately on contact with saliva. As the tablet melts the liquid is swallowed, facilitating an extremely rapid absorption of CoQ10 into the bloodstream. Research has shown that this patented technology increases the absorption of fast-soluble compounds like CoQ10 twice as fast as other dosage forms such as roftgets, expanses, etc. The factor you take these delicious orange-flavored CoQmelt tablets, the faster CoQ10 will begin working for you.

KEEP OUT OF REACH OF CHILDREN. For optimal storage conditions, store in a cool, dry place. (59*-77*F/15*-25°C) (33-65% relotive humidity). Tamper-resistant package; do not use if individual blister seals are broken.

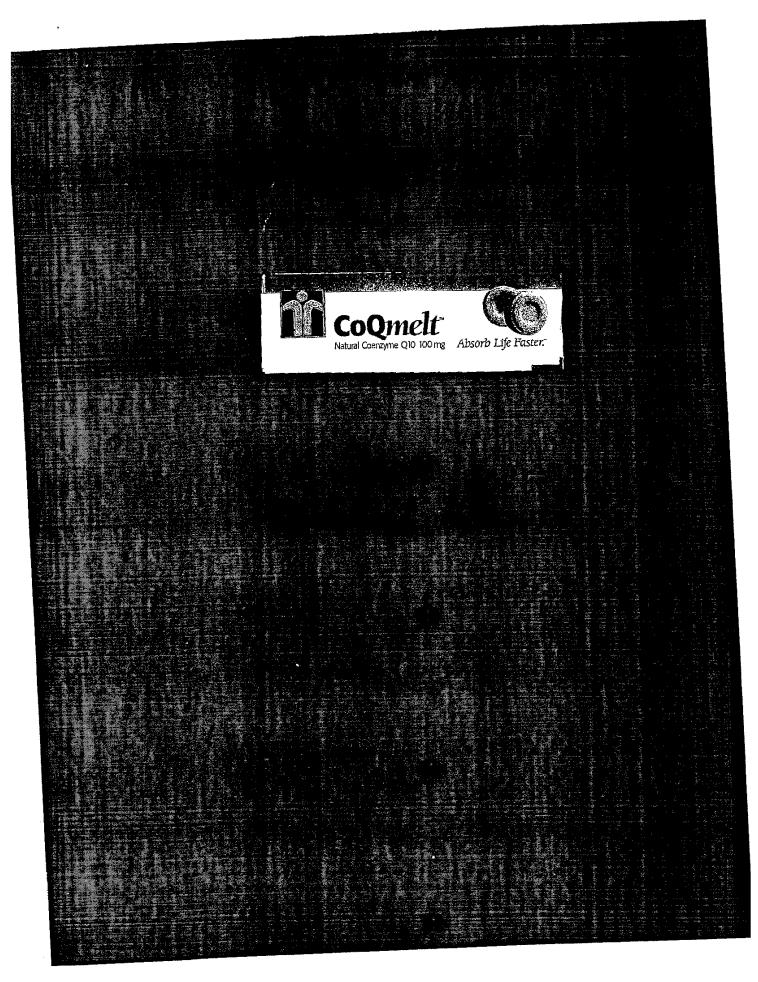
Tablet technology protected under patent #6,149,938.

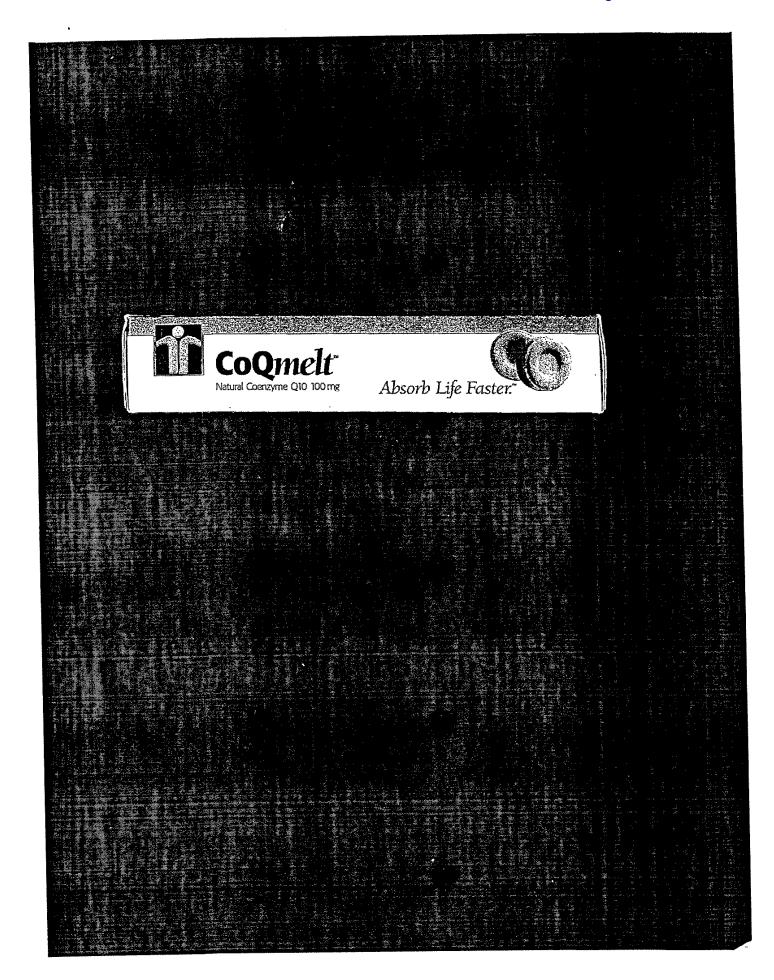
Exclusively by: Douglas Laboratories Pittsburgh, PA 15205 • www.douglaslabs.com

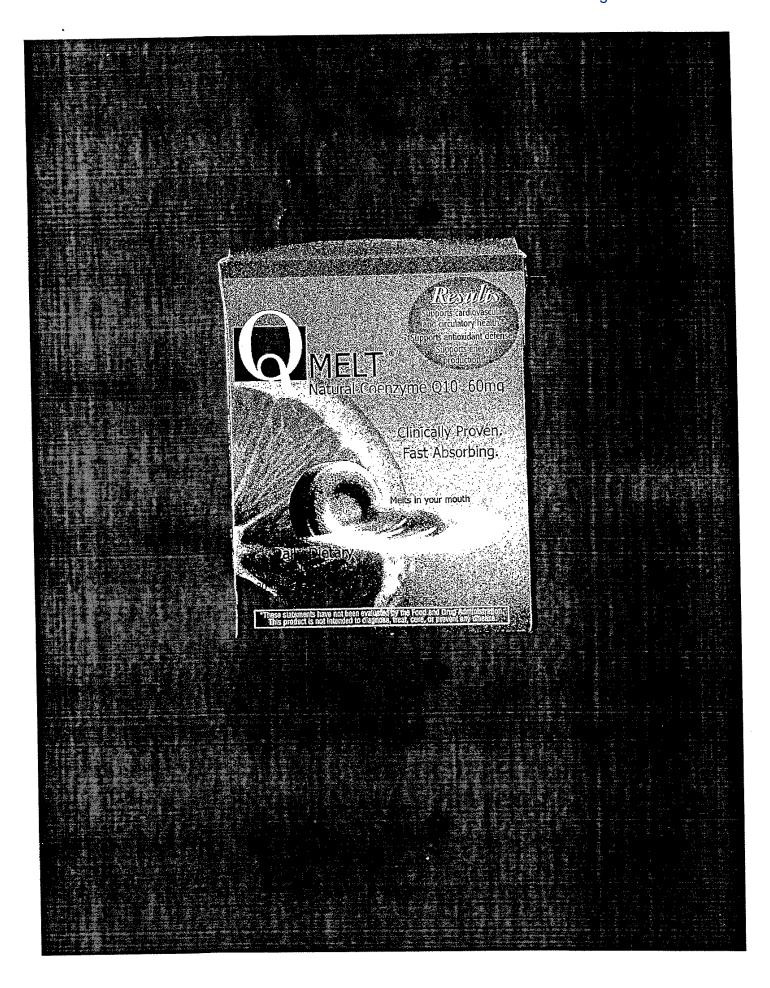
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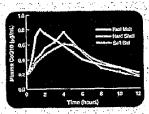
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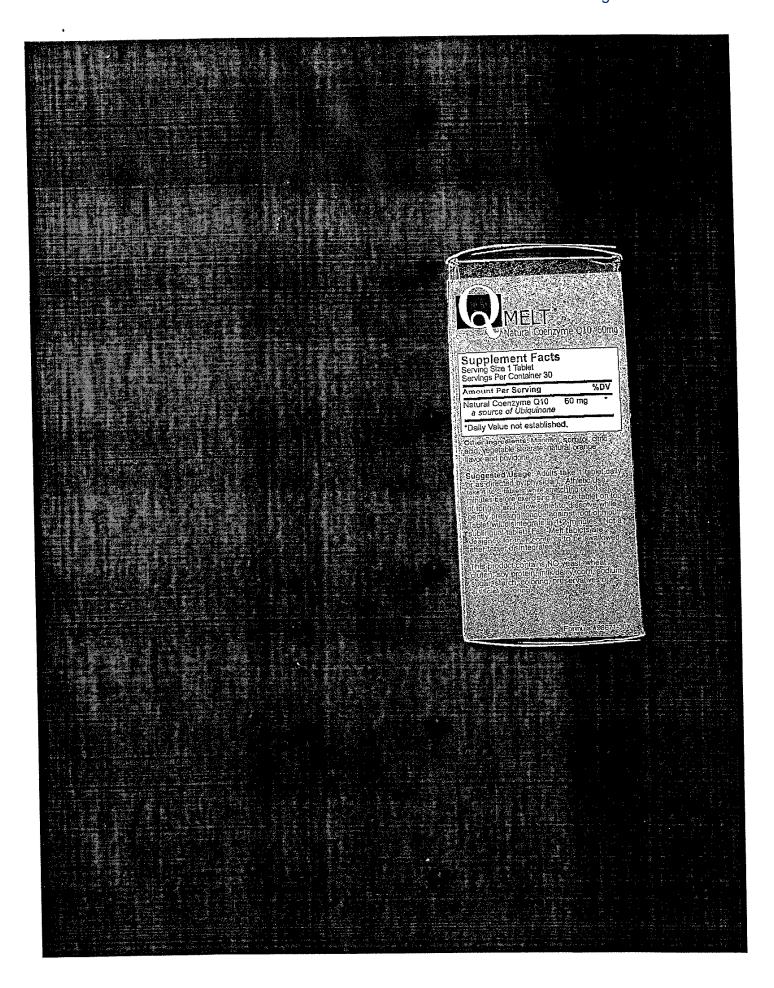
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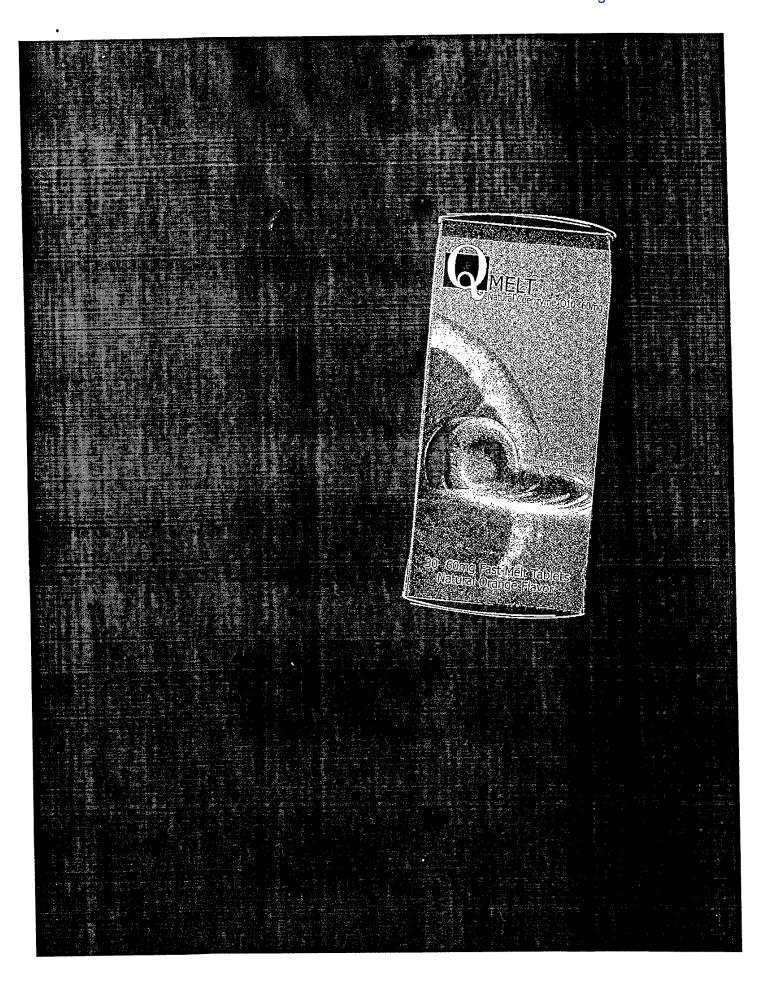
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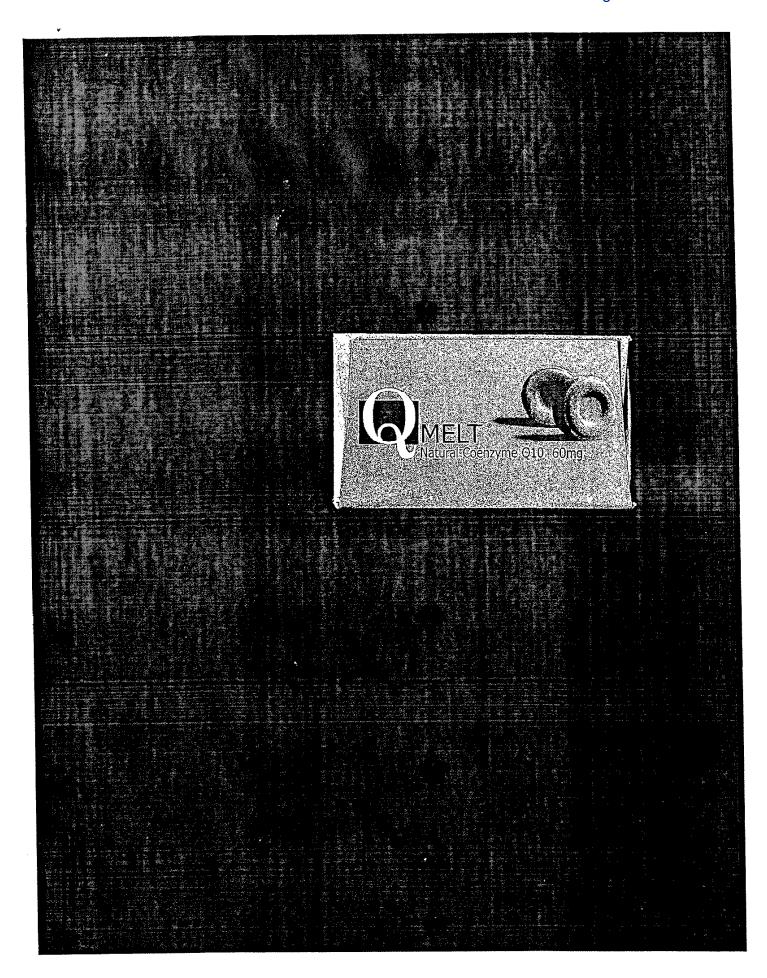
্বিকৃত্য ক্রিকৃত্যালয় কর্মান ক্রিকৃত্যালয় ক্রিকৃত্যালয় ক্রিকৃত্যালয় ক্রিকৃত্যালয় ক্রিকৃত্যালয় ক্রিকৃত্যাল ক্রিকৃত্যালয় ক্রিকৃত্যালয

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These statements have not been evaluated by the Food and Drug Administration. This product is not intended to diagnose, treat, cure, or prevent any disease.







SJS 44 (Rev. 11/04)

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS		DEFENDANTS		
			HI-VIDOMIN LA	BS., INC.
PHARMA BASE	·S.A.		HVL, INC.	
(b) County of Residence o	f First Listed Plaintiff	County of Residence of	First Listed Defendant (IN U.S. PLAINTIFF CASES ON	(7 V)
(EX	CEPT IN U.S. PLAINTIFF CASES)	NOTE: IN LAND	CONDEMNATION CASES, USE	,
			VOLVED.	
(c) Attorney's (Firm Name,	Address, and Telephone Number)	Attorneys (If Known)		
PATRICIA SM	INK ROGOWSKI, CONNOLLY BOVE	E		
	NGE STREET, WILMINGTON, DE			
II. BASIS OF JURISD	CTION (Place an "X" in One Box Only)	III. CITIZENSIIIP OF PI (For Diversity Cases Only)	RINCIPAL PARTIES(P	lace an "X" in One Box for Plaintiff and One Box for Defendant)
☐ 1 U.S. Government	3 Federal Question	Citizen of This State		PTF DEF
Plaintiff	(U.S. Government Not a Party)	Citizen of this State	of Business In This	
2 U.S. Government	☐ 4 Diversity	Citizen of Another State		
Defendant	(Indicate Citizenship of Parties in Item III)		of Business In A	
		Citizen or Subject of a Foreign Country	3 3 Foreign Nation	0606
IV. NATURE OF SUIT	(Place an "X" in One Box Only)			
CONTRACT	TORTS PERSONAL INVERS	FORFEITURE/PENALTY O 610 Agriculture	BANKRUPTCY 2 422 Appeal 28 USC 158	OTHER STATUTES 400 State Reapportionment
☐ 110 Insurance ☐ 120 Marine	PERSONAL INJURY PERSONAL INJURY 310 Airplanc 362 Personal Injury	G 620 Other Food & Drug	423 Withdrawal	410 Antitrust
☐ 130 Miller Act ☐ 140 Negotiable Instrument	☐ 315 Airplane Product Med. Malpractice Liability ☐ 365 Personal Injury -	of Property 21 USC 881	28 USC 157	☐ 430 Banks and Banking ☐ 450 Commerce
150 Recovery of Overpayment	☐ 320 Assault, Libel & Product Liability	☐ 630 Liquor Laws	PROPERTY RIGHTS 820 Copyrights	460 Deportation 470 Racketeer Influenced and
& Enforcement of Judgment 151 Medicare Act	☐ 330 Federal Employers' Injury Product	☐ 650 Airline Regs.	1 830 Patent	Compt Organizations
☐ 152 Recovery of Defaulted Student Loans	Liability Liability 340 Marine PERSONAL PROPERT	TY 660 Occupational Safety/Health	840 Trademark	480 Consumer Credit 490 Cable/Sat TV
(Excl. Veterans)	345 Marine Product 370 Other Fraud	690 Other LABOR	SOCIAL SECURITY	810 Selective Service 850 Securities/Commodities/
☐ 153 Recovery of Overpayment of Veteran's Benefits	350 Motor Vehicle 380 Other Personal	710 Fair Labor Standards	□ 861 HIA (1395ff)	Exchange
☐ 160 Stockholders' Suits ☐ 190 Other Contract	☐ 355 Motor Vehicle Property Damage Product Liability ☐ 385 Property Damage	Act 720 Labor/Mgmt. Relations	☐ 862 Black Lung (923) ☐ 863 DIWC/DIWW (405(g))	875 Customer Challenge 12 USC 3410
195 Contract Product Liability	360 Other Personal Product Liability	☐ 730 Labor/Mgmt.Reporting & Disclosure Act	☐ 864 SSID Title XVI ☐ 865 RSI (405(g))	890 Other Statutory Actions 891 Agricultural Acts
☐ 196 Franchise REAL PROPERTY	CIVIL RICHTS PRISONER PETITION	NS 740 Railway Labor Act	FEDERAL TAX SUITS	☐ 892 Economic Stabilization Act
☐ 210 Land Condemnation ☐ 220 Foreclosure	☐ 441 Voting ☐ 510 Motions to Vacat ☐ 442 Employment Sentence	e 790 Other Labor Litigation 791 Empl. Ret. Inc.	3 870 Taxes (U.S. Plaintiff or Defendant)	893 Environmental Matters 894 Energy Allocation Act
☐ 230 Rent Lease & Ejectment	443 Housing/ Accommodations Habeas Corpus: 530 General	Security Act	☐ 871 IRS—Third Party 26 USC 7609	☐ 895 Freedom of Information Act
☐ 240 Torts to Land ☐ 245 Tort Product Liability	1 444 Welfare 535 Death Penalty		20 630 7007	☐ 900Appeal of Fee Determination
290 All Other Real Property	U 445 Amer. w/Disabilities - 540 Mandamus & Oth Employment 550 Civil Rights	her		Under Equal Access to Justice
	☐ 446 Amer. w/Disabilities - ☐ 555 Prison Condition			☐ 950 Constitutionality of State Statutes
	Other 440 Other Civil Rights			Orace Granuics
V. ORIGIN (Place	an "X" in One Box Only)			Appeal to District
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Proceeding	Cite the U.S. Civil Statute under which you a			
VI. CAUSE OF ACTI	ON	EMARK INFRINGEMEN	Т	
VII. REQUESTED IN	CHECK IF THIS IS A CLASS ACTION	N DEMAND S	•	if demanded in complaint:
COMPLAINT:	UNDER F.R.C.P. 23		JURY DEMAND	: O Yes O No
VIII. RELATED CAS IF ANY	E(S) (See instructions): JUDGE		DOCKET NUMBER	
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RECEIPT#	AMOUNT APPLYING IFP	JUDGE _	MAG. JU	DDGE



AO FORM 85 RECEIPT (REV. 9/04)

United States District Court for the District of Delaware

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Civil Action No.	U	0		U	0		

ACKNOWLEDGMENT OF RECEIPT FOR AO FORM 85

NOTICE OF AVAILABILITY OF A UNITED STATES MAGISTRATE JUDGE TO EXERCISE JURISDICTION

HEREBY ACKNOWLEDGE	RECEIPT OF COPIES OF AO FORM 85.
JUN 2 0 2006	Ricardo Do matchell
(Date forms issued)	(Signature of Party or their Representative)
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	(Printed name of Party or their Representative)
ote: Completed receipt will be t	illed in the Civil Action